

**STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE SERVICES**

Before the Commissioner of the Office of Financial and Insurance Services

In the matter of:

FIRST DISCOUNT MORTGAGE, LLC

Enforcement Case No. 05-3154

License/Registration No.: FL-0010512, SR-0010513

Respondent. /

**Issued and entered
This 27th day of May, 2005
By Linda A. Watters, Commissioner
Office of Financial and Insurance Services**

CONSENT ORDER

**I
BACKGROUND**

On or about May 5, 2005, a Notice of Opportunity to Show Compliance (NOSC) was issued by the Michigan Office of Financial and Insurance Services (OFIS) to Respondent in the above entitled matter pursuant to the provisions of the Mortgage Brokers, Lenders, and Servicers Licensing Act (MBLSLA), 1987 PA 173, as amended, MCL 445.1651 *et seq*, and The Secondary Mortgage Loan Act ("SMLA"), 1981 PA 125, as amended, MCL 493.51 *et seq*.

The NOSC contained alleged violations of the MBLSLA and the SMLA, and set forth the applicable laws and penalties which could be taken against Respondent.

OFIS and Respondent have conferred for purposes of resolving this matter and have submitted a Stipulation to Consent Order and Consent Order for review and consideration by the Commissioner of OFIS.

II FINDINGS OF FACT

On the basis of the Stipulation to Consent Order and the files and records of OFIS in this matter, the Commissioner FINDS and CONCLUDES that:

1. The Commissioner of OFIS has jurisdiction and authority to adopt and issue this Consent Order in the proceeding, pursuant to the Michigan Administrative Procedures Act of 1969 (MAPA), as amended, MCL 24.201 *et seq.*, the Mortgage Brokers, Lenders, and Servicers Licensing Act, and the Secondary Mortgage Loan Act.
2. All required notices have been issued in this case, and the notices and service thereof were appropriate and lawful in all respects.
3. Acceptance of the parties' Stipulation to Consent Order is reasonable and in the public interest.
4. Respondent has submitted \$3,000 in anticipation of the Commissioner executing this Consent Order, thereby ordering payment of \$3,000 in fines and penalties.
5. All applicable provisions of the MAPA have been met.

III CONCLUSIONS OF LAW

Based upon a review of applicable laws, it is concluded that:

1. Respondent has violated Section 21(3) of the Act, MCL 445.1671(3), by failing to file its first mortgage annual report within the time required by the MBLSLA.
2. Respondent has violated Section 6a(13) of the SMLA, MCL 493.56a(13), by failing to file its second mortgage annual report within the time required by the SMLA.

IV ORDER

THEREFORE, based on the parties' Stipulation to Consent Order and the facts surrounding this case, **IT IS HEREBY ORDERED THAT:**

1. The Stipulation to Consent Order submitted by the parties to the Commissioner is hereby **ACCEPTED**.

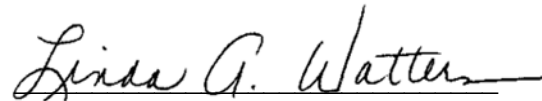
2. Respondent shall immediately cease and desist from operating in violation of Section 21(3) of the MBLSLA, MCL 445.1671(3), and Section 6a(13) of the SMLA, MCL 493.56a(13).

3. Respondent shall make all filings with OFIS that are required to be filed on or before a certain date, including, but not limited to, annual reports, financial statements, and applications for renewal of license or registration, in a manner, such as via overnight mail or certified mail, which affords Respondent with proof of a specific delivery date, no later than the date the report, statement, or other document is due.

4. Respondent shall pay \$1,000 in civil fines and \$2,000 in late penalty fees. The \$3,000 remitted by Respondent with the Stipulation to Consent Order shall be applied to the civil fines and late penalty fees.

5. The Commissioner of OFIS specifically retains jurisdiction over the matters contained herein and has the authority to issue such further order(s) as she shall deem just, necessary and appropriate in accordance with the provisions of the Mortgage Brokers, Lenders, and Servicers Licensing Act, 1987 PA 173, as amended, MCL 445.1651 *et seq.* and The Secondary Mortgage Loan Act, 1981 PA 125, as amended, MCL 493.51 *et seq.* Failure to abide by the terms

and provisions of the Stipulation and this Order, may result in the commencement of additional proceedings.


LINDA A. WATTERS
Commissioner